From: James B. Milliken
To: UC-ALL-REGENTS-L
Subject: Final State Budget 2026-27
Date: Tuesday, June 30, 2026 8:21:58 AM
Attachments: 06.30.26 Letter to Regents_Final State Budget 2026-27.pdf

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Dear Regents,

Please see the attached letter regarding the final 2026-27 State budget.

Sincerely,

James B. Milliken
President

UNIVERSITY OF CALIFORNIA

James B. Milliken
President

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DIVISION OF AGRICULTURE AND NATURAL RESOURCES

June 30, 2026

REGENTS OF THE UNIVERSITY OF CALIFORNIA

Dear Regents:

Last night, Governor Newsom signed the bills that make up the 2026-27 State Budget. This budget provides the University of California with $5.5 billion, which reflects a 7% increase, or $350.6 million, in ongoing base budget funding over the 2025-26 year. The University will also receive a three-percent ongoing restoration of the 2025-26 base budget deferral. The additional funds go a long way towards fulfilling the state's commitment to expanding educational access and student services to provide more Californians with the exceptional opportunity UC offers.

The Budget Act also provides the University with nearly $111 million in one-time funds for various student services programs, research projects, and public service endeavors (see attachment for detailed list). Notable among these one-time funds are $20 million for student basic needs, rapid rehousing, and services for students with disabilities, as well as $10 million for a UC Climate Change Research Institute.
I am deeply grateful to Governor Newsom for his unwavering support for the University throughout his tenure. His final budget again demonstrates his belief in the value of public higher education in California and in hundreds of thousands of UC students, faculty, and staff.

State Budget and Multi-Year Outlook

The 2026-27 State Budget Act includes $351.7 billion in expenditures, of which $251.5 billion is State General Fund. The budget includes additional deposits into reserves, for a total State reserve of over $35 billion.

The final 2026-27 budget framework eliminated the projected $17 billion deficit through increased revenue collection and increased taxes alongside programmatic reductions and other budgetary adjustments designed to improve the State's long-term fiscal outlook. With these actions, the State is projecting elimination of the 2027-28 budget deficit as well. The State continues to project deficits for the 2028-29 fiscal year and beyond.

Health Budget

One of the more contentious areas of budget deliberations was in health care, as the Legislature and Governor focused on how to respond to federal health care cuts in H.R.1.

The budget includes $250 million in grants to public hospitals, a portion of which will flow to UC's academic medical centers, to backfill a portion of lost federal reimbursements. The budget also maintains most existing Medi-Cal eligibility criteria and benefits, delaying to 2027-28 many of the planned or newly proposed cuts, which would have increased uncompensated care at UC academic medical centers.

The final Budget Act includes one-time funding for two health professional program expansions requested by the Regents: the UC San Diego PRIME Rx program, which trains students in pharmacy and pharmaceutical sciences, and the UC Berkeley ACCESS program, which trains students in optometry. In addition, the PRIME Central Coast program at the UC Davis School of Medicine, in collaboration with UC Santa Cruz, will receive $3.3 million on a one-time basis.

Budget Trailer Bills

The Higher Education Budget Trailer Bill of 2026 extends the Cal Grant entitlement program eligibility age from 28 to 30, creates a new Workforce Pell participating program approval process for California, and makes clarifying changes to Cal NAGPRA.

I am grateful to the Regents for your advocacy efforts on behalf of the University this year. The funding increase received during a financially challenging year is a testament to your ongoing efforts and will enable the University to continue to serve the state through teaching, research, and public service.

Please let my colleagues or me know if you have any questions.

Sincerely,

James B. Milliken
President

Attachment

cc: Chancellors
Division Leaders

Attachment – State One-time Funds

The Budget Act of 2026 provides the University of California with $110.9 million in one-time funding. These one-time appropriations are:

1. **$20 million for student basic needs, housing, and disability services**:
    - This one-time appropriation is a systemwide appropriation. The division of funds between the three purposes is not specified in budget bill language, but funding must be provided to each of these three services.
    - UC has an ongoing State General Fund base budget of $15.8 million for basic needs, $3.7 million for rapid rehousing, and $21.3 million for student mental health.
2. **$15 million for UC journalism fellowships:**
    - The fellowships hire journalists to work for small local news outlets and report on local news. The journalists are officially UC employees during the fellowship.
    - This is the third appropriation received for journalism fellowships. Previous one-time funding for UC Berkeley journalism fellowships included $25 million in 2022-23 and $15 million in 2025-26.
3. **$10 million for UC Climate Change Research Institute:**
    - The location and research activities of the Institute are at the University's discretion.
    - UC requested $25 million from Greenhouse Gas Reduction Funds for climate change research for 2025-26.
    - The Budget Act of 2022 provided the University with $185 million in one-time funding for climate resiliency, which included $100 million for research and $85 million for campus projects at Riverside, Santa Cruz, and Merced.
4. **$9 million for Cal-Bridge:**
    - Cal-Bridge works to diversify STEM fields by providing support and guidance to students as they transition from undergraduate to graduate school and the workforce. More information is available here: https://calbridge.org/
    - UC has received multiple one-time appropriations for Cal-Bridge, including $2.5 million in 2022-23, $4 million in 2024-25, and $5 million in 2025-26.

5. **$7.5 million for the UC/CSU Collaborative for Neurodiversity and Learning:**

    - The Collaborative is located at the UCLA School of Education.
    - The Collaborative works on developing and sharing teaching practices for students with neurodiversity.
    - UC received $3 million one-time for the Collaborative in 2021-22, $10.5 million one-time in 2022-23, and $125K one-time in 2023-24.
    - More information is available here: https://ca-diverse-learning.org/

6. **$6.5 million for voting rights programs:**

    - The UCLA Voting Rights Project is a project of the UCLA Luskin School of Public Affairs aimed at creating an accessible and equitable system of voting for all Americans through impact litigation, research, and clinical education to expand access to the ballot box.
    - This appropriation includes $5 million for UCLA Voting Rights Project and $1.5 million for UCSB Center for Race and Democracy.
    - UC has not previously received funding for either of these programs.
    - The Center for Race and Democracy will be a new center at UC Santa Barbara.
    - More information on the Voting Rights Project: https://vrp.ucla.edu/

7. **$5.26 million for UC Berkeley Cal Stadium Lighting:**

    - UC Berkeley stadium improvements are included in the Regents 2025 Consolidated Capital Report.

8. **$5 million for Degree Plus:**

    - The University of California's Degree Plus is a two-year pilot initiative designed to strengthen workforce preparedness for UC undergraduates. Degree Plus integrates rigorous undergraduate degrees with paid internship-based work experience and market-aligned certificate programs.
    - More information about Degree Plus is available here: https://www.ucop.edu/academic-affairs/initiatives/degree-plus.html

9. **$5 million for Cal ISI, including CITRIS:**

    - The California Institutes for Science and Innovation (Cal ISI), established by the Governor's office, are comprehensive basic research centers concentrating on complex scientific challenges that demand multidisciplinary strategies and state-of-the-art equipment and facilities.

- The Budget Act does not specify the division of funds between the four the Cal ISIs in the UC system.
- UC received $20 million one-time for the Cal ISI student stipends in 2021-22. These funds have not yet been fully spent, and UC had to request a reappropriation this year.
- More information on Cal ISI is available here: https://www.ucop.edu/innovation-entrepreneurship/ie-resources/ie-alliances/cal-isis.html
- CITRIS is located at Berkeley. More information is available here: https://citris-uc.org/

10. $5 million for UCLA Center for Reproductive Health, Law, and Policy:

- UC received $5 million one-time in 2021-22, $2 million one-time in 2023-24, and $5 million one-time in 2025-26.
- More information on the Center is available here: https://law.ucla.edu/academics/centers/center-reproductive-health-law-and-policy

11. $3.4 million for menopause programs:

- These funds are to be directed toward menopause provider training, outreach activities, care delivery, and program development.
- UC received $3 million one-time for menopause programs in 2025-26.

12. $3.6 million for UC San Diego PRIME Rx:

- When at full capacity, the PRIME-Rx program will have a total of 40 pharmacy students from across the school, each training to provide care in community-based settings.
- This program was a Regents' budget request for $1.8 million ongoing.
- This is the first time receiving these funds.

13. $3.3 million for PRIME Central Coast:

- This PRIME program is a collaboration between the UC Davis School of Medicine and UC Santa Cruz to provide clinical training experience to medical students on the central coast.
- UC received $1.5 million one-time in 2025-26 to launch the PRIME Central Coast program.

- More information about this program is available here: https://health.ucdavis.edu/mdprogram/PRIME%20Central%20Coast/prime-central-coast-index.html

14. $3 million for the Ralph J. Bunche Center at UCLA:

- UC received $5 million one-time in 2021-22, $5 million one-time in 2022-23, $5 million one-time in 2023-24, and $3 million ongoing in 2024-25.
- More information about the Center is available here: https://bunchecenter.ucla.edu/

15. $3 million for UC San Diego BA in South San Diego:

- These funds are intended to develop and offer a bachelor's degree program combining business principles with data science in South San Diego, intended for the City of Chula Vista.
- UC received $5 million one-time in 2025-26 to develop a BA in public health in South San Diego, and another $250K in 2025-26 through UC to the City of Chula Vista to establish a South County Higher Education Planning Task Force.
- The City of Chula Vista has a 383-acre parcel that is designated for higher education use only but has sat vacant for decades.

16. $1.8 million for UC Berkeley ACCESS:

- This program was a Regents' budget request for $0.9 million ongoing for this PRIME-like program.
- When at full capacity, the ACCESS program will have a total of 20 optometry students at UC Berkeley School of Optometry, who will be trained to deliver high quality primary eyecare in California.

17. $1.5 million for First Star:

- The First Star program assists high school students currently in foster care to prepare for a university education.
- UC received $1.8 million one-time for the First Star program in 2025-26, which was provided through an internal grant process to UCLA and UC Riverside.
- More information about the First Star program is available here: https://www.firststar.org/

18. **$1.38 million for UC Berkeley IGS Library Digitization Project:**

    - More information is available here: https://igs.berkeley.edu/library
    - A similar appropriation UC previously received was funding for a UC Riverside local newspaper digitization project.

19. **$750,000 for UC Berkeley for AAPI Data Research:**

    - UC Berkeley received $15 million in 2022-23 for the Asian American and Asian Diaspora Studies Department to increase faculty and enhance campus community engagement.
    - Other similar appropriations previously received included: UC Riverside received $10 million one-time in 2021-22 for a social survey of Asian American and Pacific Islander residents of California, and UCLA received $10 million one-time in 2022-23 for an AAPI multimedia textbook project.

20. **$750,000 for ENLACE:**

    - ENLACE is a UC San Diego STEM summer program for high school students.
    - UC has not previously received funding for this program.

21. **$200,000 for UCLA Bruin One Access as a State CalFRESH Enrollment Accelerator:**

    - UC has previously received funding for student basic needs. While these prior appropriations could be used to register students for CalFRESH, this is the first appropriation specifically for that purpose.